

ANALYSIS, OPINIONS, ADVERTISING, MEDIA

Darren Woolley | Nov 17, 2025

While rivals look outward, WPP is consumed by its own internal crisis

WPP grapples with an inherited "failure of modern corporate governance," Darren Woolley writes. Cindy Rose must now prove that the next chapter rests on integrity rather than growth at any cost.



In the business world, facing serious legal issues usually means you've either wronged someone, really annoyed them, or both. For WPP, the two legal battles it currently faces suggest the advertising giant has managed the unfortunate combination.

As 2025 draws to a close, WPP, a major global industry player, is making headlines not for new business wins but for a serious legal battle on two fronts. The challenge—a **broad securities fraud class-action suit from investors** and a **wrongful termination claim from a former executive over alleged kickbacks**—paints a picture of a company facing a deep crisis of internal trust and external credibility. This isn't just a PR issue; it's a structural crisis that demands urgent attention from the new leadership, especially as competitors are shaping the industry's future.

The specifics of the reported litigations are sobering.

The first, a securities fraud class-action, alleges that WPP management misled investors (between February and July 2025) about the firm's financial health, particularly its media arm's significant market share loss. This revelation led directly to an 18.1% stock price plunge in July, shattering investor confidence built on the premise of transparency and truthful performance.

The second suit, reportedly filed by former Motion Content Group CEO Richard Foster, is arguably more damaging to WPP's reputation. Foster states that he was wrongfully dismissed in retaliation for exposing an alleged kickback scheme, which challenges the integrity of the company's internal financial controls and its ethical standards. The allegations imply a systemic failure, where financial misrepresentation and internal ethical breaches occurred concurrently.

The market's reaction to WPP's vulnerability is now clear, with reports suggesting that **rival agency Havas and private equity firms are circling WPP** with takeover interest. While this highlights WPP's valuable underlying assets, any prospective buyer, especially Havas, must proceed with extreme caution. Any suitor must recognise that they are not just acquiring market share, but are also inheriting the unresolved fallout of these issues.

WPP's challenge becomes clearer when compared to its main competitors. Consider the **Omnicom-IPG merger**, which, although a significant consolidation, was strictly approved by the FTC under stringent conditions. These conditions were focused externally, requiring an independent compliance monitor and detailed documentation to avoid anti-competitive behaviours and politically motivated ad boycotts.

The contrast is clear: WPP's competitors are focused on managing external challenges to grow a larger, future-ready business and uphold market fairness standards. Meanwhile, WPP is wasting management time and money dealing with internal conflicts—allegations that its main compliance systems are inadequate or even compromised. The industry has moved forward with AI and media investments; WPP remains busy addressing its internal issues.

The root cause of WPP's vulnerability stems from a failure of modern corporate governance, a situation that was inherited by the new CEO, Cindy Rose. **Rose took over from Mark Read on September 1, 2025**, at a time when internal operational and financial pressures had escalated to the point of involving the legal domain.

A culture that allegedly protects kickback schemes and penalises whistleblowers values short-term gains over long-term integrity. This is how it functions: once internal corruption is exposed, the necessary financial restatements often invalidate previous public assurances, leading to investor lawsuits. It creates a domino effect in which poor internal governance harms external investor relations and market confidence. The relentless pursuit of growth in a competitive, margin-tight industry has led to unacceptable risks related to



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compliance and integrity.



CEO Cindy Rose and her team should immediately transition from a defensive legal approach to a proactive, forward-looking operational plan. To safeguard the company's core assets—clients and staff—requires decisive action and full transparency.

Reassure clients with unconditional audits

Clients demand certainty, compliance, and transparency for their media spend. WPP must promptly implement a Client Integrity Assurance Program. This program should give every major client the option of a guaranteed, independent, third-party audit of their account's media terms and rebates. This "clean room" approach, overseen by a global accounting firm, provides clear, auditable proof that client funds are secure and separate from any alleged misconduct. Account leads need honest, proactive talking points that focus only on performance and compliance, not legal deflection.

Protect and empower employees

The whistleblower lawsuit undermines the internal culture. Employees are observing whether WPP defends the alleged misconduct or the individual who reported it. Management must issue a strong, all-encompassing statement reaffirming firm whistleblower protections. They should not only pledge zero tolerance for retaliation but also implement a new, direct, and anonymous reporting mechanism (possibly managed by external legal counsel) for compliance issues. WPP's competitive advantage depends on its talent; ethical fuzziness is a sure way to drive that talent away.

Rebuild investor trust and governance

This crisis calls for structural reform, not merely internal memos. The Board of Directors must show swift, impartial action by commissioning a fully independent review of the company's internal controls and compliance culture. New, independent directors with extensive expertise in governance and financial controls need to be appointed. For the Asian market, where governance faces high scrutiny, WPP must release a comprehensive roadmap outlining how the new leadership will prioritise integrity and compliance over aggressive growth targets.

While it is still early days, for The Rose era to be remembered not for the quarterly results of its media arm, but for how it handles this fundamental trust crisis, decisive action is now needed. The journey is challenging, but the goal is clear: to become a company where integrity is the non-negotiable foundation for growth.

Darren Woolley is CEO of TrinityP3 and the author of Campaign Asia-Pacific's regular column, *Woolley Marketing*.







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